

**Heber City Corporation
City Council Meeting**

October 3, 2013

7:04 p.m.

REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on October 3, 2013, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

Present:

Mayor
Council Members

David R. Phillips
Robert Patterson (arrived at 7:27 p.m.)
Alan McDonald
Benny Mergist
Jeffery Bradshaw
Erik Rowland

Also Present:

City Manager
City Engineer
Planning Director
Chief of Police
Deputy Recorder

Mark K. Anderson
Bart Mumford
Anthony Kohler
David Booth
Amanda Anderson

Others Present: Rod Hopkins, Kelleen Potter, Connie Christensen, Stacey Mitchell, Michael Mitchell, Brian Baker, Guy M. Haskell, Todd Cates, Heidi Franco and others whose names were illegible.

Mayor Phillips opened the meeting, explained that Council Member Patterson would arrive shortly after 7:00 p.m., and welcomed those in attendance.

Pledge of Allegiance: Council Member Jeffery Bradshaw

Prayer/Thought: Mayor David Phillips

Minutes for Approval: September 19, 2013 Work and Regular Meetings

Council Member McDonald moved to approve the above listed minutes. Council Member Rowland seconded the motion. Voting Aye: Council Members McDonald, Mergist, Bradshaw and Rowland. Council Member Patterson was excused.

OPEN PERIOD FOR PUBLIC COMMENT

Mayor Phillips invited those from the audience who wished to address the Council to come forward. No comments were given.

PUBLIC HEARING

Public Hearing Regarding the Issuance and Sale of Not More Than \$1,000,000 Aggregate Principal Amount of Water Revenue Bonds, Series 2013 and to Allow Public Input Regarding Any Potential Economic Impact That the Project Described Herein to be Financed With the Proceeds of the Series 2013 Bonds May Have on the Private Sector:

Mayor Phillips turned the time to Mark Anderson, City Manager, who explained that the purpose of this hearing was to receive public input regarding these bonds. The primary use of the funds would be to pay for the Main Street water main and vault replacement, would help to fund the 300 West work and the 300 South work, and finally would be used to replace the lid of the Broadhead water storage tank.

Mayor Phillips opened the hearing to the public for comments on the proposed bonds. No comments were made and the Public Hearing was closed at 7:07 p.m.

Bids for the bonds were closed at 3:00 p.m. October 3, 2013. Copies of the bid proposals were provided to the Council members. Anderson stated he would like the Council to identify the party the City would like to purchase the bonds from in the amount of \$900,000.00. Brian Baker, from Zion's Bank Public Finance, stated that the bids received had lower interest rates than were projected originally. He explained the sheet provided the bond proposals, the length of each bond and the interest rates as well. Baker explained the legal fees in the Key Bank bid versus the Chase proposal. He discussed which proposals had prepayment penalties and which did not. He felt that the difference in cost between the first and second place bids were so close that he recommended the third place bid as an option. *Please refer to "\$900,000 Water Revenue Bonds Series 2013, Bid Summary" handout in extra materials.* He recommended the eight year term from the State Bank of Southern Utah bid.

Anderson stated the third option would save about \$30,000.00 in interest by paying it over eight years vs. ten years. Anderson also explained the likelihood of the loan being paid early and stated he felt now was the best time to borrow and build as costs were likely to go up in all aspects. Council Member McDonald asked about the money spent on various past projects and the current balance in the water fund. He asked if the City was trying to bond to replace the money spent in the water fund, to which Anderson stated yes and added it would build the City's reserve in this fund back up to where the City felt it should be. Council Member McDonald asked if the City should use the General Reserve Fund to place the money back in the Water Fund and not bond for this. Council Member Patterson arrived at 7:27 p.m. Council Member McDonald stated he would like to the use General Fund money rather than bond. Anderson stated a resolution was adopted in May to borrow up to six million dollars and also stated that a year down the road if they wanted to borrow money for operating costs, they would be unable to do so as the bank would not loan money under those circumstances as there would not be an actual project to tie the money to. Anderson noted that the Water Fund was an Enterprise Fund and that it should be self sustaining. He also noted some of the General Fund reserve would be used to construct the Public Safety building. Brian Baker concurred with Anderson and stated they had to have a project in order to borrow money and the City could not borrow money for operations. Council Member McDonald stated he did not want to bond for \$900,000.00. Council Member Bradshaw stated he would prefer the bond, as the City's Enterprise Fund should be able to sustain itself and the bond monies would cover the future projects. He was not in favor of shifting General Fund money to cover these proposed projects.

1 Council Member Bradshaw made a motion to accept the bid from the State Bank of Southern
2 Utah for eight years at the rate of 2.134%. Council Member Rowland made the second.

3
4 Council Member Rowland asked for further explanation on the Max Payment column of the bid
5 summary and Brian Baker explained this column, as to the penny, i.e. home loans vs. to the
6 thousands. Council Member Rowland clarified that there was no prepayment penalty.

7
8 Voting Aye: Council Members Patterson, Mergist, Bradshaw and Rowland. Voting Nay:
9 Council Member McDonald.

10 11 *CONSENT AGENDA*

12
13 **Approve Wasatch Back Grill and Deli, Request for Local Consent to Sell Alcohol, Located**
14 **at 550 West 100 South:** Council Member McDonald made a motion to approve the request for
15 local consent to sell alcohol at the Wasatch Back Grill and Deli located at 550 West 100 South.
16 Council Member Mergist made the second.

17
18 Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland. Voting
19 Nay: None.

20 21 *ACTION ITEMS*

22
23 **Approve Swift Creek Subdivision, a 27 Lot Subdivision Located at Approximately 900**
24 **South to 1100 South and 800 East to 1000 East and Associated Subdivision Agreement:**

25 Mark Anderson stated the developer and Ms. Christensen were both in attendance. Ms.
26 Christensen passed around a handout to the Council. Mayor Phillips explained that Ms.
27 Christensen's fields were bordered by homes with and without fences. Grass clippings had been
28 tossed into her fields and there were complaints about overspray from her sprinkling system from
29 some of the homeowners bordering her farm fields. Ms. Christensen was asking for language to
30 be placed on the subdivision plat that protected her property and gave her recourse if the
31 agreement was not kept.

32
33 Council Member Rowland said he had often heard from the citizens of Heber City that they
34 wanted to maintain the rural feel of our City and felt this was an opportunity to preserve that and
35 was in favor of doing what he could to protect the farming community. Council Member
36 McDonald stated he would like to meet with Ms. Christensen and possibly the developer to work
37 out a solution that protected both parties and would like more time to look into it.

38
39 Guy Haskell, representing the developer of the subdivision, stated he was sympathetic to the
40 circumstances as he was on the other side of the situation at a property in Bountiful. He had
41 taken Ms. Christensen's document to his attorney who felt there were items in it that they could
42 absolutely not agree to or with. Mayor Phillips stated the City Attorney, Mark Smedley, did not
43 recommend any language on the plat, aside from what was noted in the Regular Meeting staff
44 memo from Mark Anderson. Mr. Haskell brought a proposed document with him that his
45 company would agree to.

46
47 Council Member McDonald made a motion for the Council to continue this at a later date in
48 order to feel more comfortable making the decision. Council Member Mergist made the second.

1 Haskell asked if extending the decision would delay the approval of the subdivision, to which
2 they answered yes it would delay the subdivision. Tony Kohler, Planning Director, stated the
3 City Attorney's recommendations should be followed. Haskell stated he wanted to help Ms.
4 Christensen as much as he could, but stated he also needed to protect himself and follow the
5 recommendations of his attorney. Tony Kohler stated that the Planning Commission was in the
6 process of drafting a right-to-farm document and as the farming season was ending, perhaps the
7 City could work with Ms. Christensen over the winter months to develop an ordinance.

8
9 Voting Aye: Council Members McDonald and Mergist.

10 Voting Nay: Council Members Patterson, Bradshaw and Rowland.

11 Motion failed.

12
13 Council Member Rowland made a motion to approve the subdivision plat with the addition of
14 the statement provided by Mr. Haskell. Council Member Patterson seconded the motion.

15
16 Voting Aye: Council Members Patterson, Bradshaw and Rowland.

17 Voting Nay: Council Member Mergist.

18 Council Member McDonald abstained from voting.

19
20 Haskell asked to speak to the Council about changes to his subdivision agreement. Mayor
21 Phillips stated that it would be appropriate for Haskell to meet with the City's staff and then staff
22 would provide their recommendations with regard to his requests.

23
24 Mark Anderson noted the subdivision was approved subject to the subdivision agreement, and
25 any significant change to the agreement would have to be brought back to the City Council for
26 approval.

27
28 **Approve Red Ledges Phase 1 N, a 9 Lot Subdivision Located in the Red Ledges Planned**
29 **Community:** Council Member McDonald made a motion to approve the Red Ledges 1 N, a 9
30 lot subdivision. Council Member Rowland made the second. Voting Aye: Council Members
31 Patterson, McDonald, Mergist, Bradshaw and Rowland. Voting Nay: None.

32
33 With no further business to discuss in the Regular Meeting, Council Member Mergist made a
34 motion to move into Closed Session at 8:12 p.m. to discuss land acquisition. Council Member
35 Patterson made the second. Voting Aye: Council Members Patterson, McDonald, Mergist,
36 Bradshaw and Rowland. Voting Nay: None.

37
38 Mark Anderson asked the Council if Tony Kohler and Bart Mumford could stay for the closed
39 session and the Council was in agreement with this.

40
41 The Council adjourned from closed session at 8:28 p.m.

42
43 With no further business to discuss, the meeting was adjourned.

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Amanda Anderson
Deputy Recorder